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C O N F I D E N T I A L SECTION 01 OF 03 BRATISLAVA 000592

STPDTS

SIPDIS

E.O. 12958: DECL: 07/18/2011 TAGS: PGOV PREL ECON KPAO LO

SUBJECT: AMBASSADOR MEETS WITH FORMER PM DZURINDA

REF: A. BRATISLAVA 544

¶B. BRATISLAVA 552

¶C. BRATISLAVA 553

¶D. BRATISLAVA 571

¶E. BRATISLAVA 582

¶F. BRATISLAVA 583

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Classified By: AMBASSADOR RODOLPHE M. VALLEE AS PER E.O. 12958 REASONS 1.4 (B) AND (D).

11. (C) SUMMARY: At the Ambassador's first meeting with the former PM Mikulas Dzurinda since the June 17 elections, the former PM was confident that his party SDKU would gain strength in the opposition. SDKU plans to play on conflicts between new PM Robert Fico and coalition partner Vladimir Meciar in hopes that HZDS will leave the government and join a 3-plus-1 coalition with SDKU. Dzurinda has maintained good ties with his former partners KDH and SMK, and has positive expectations for their cooperation against Fico. Corruption is likely to plague the new government. In the meantime, Dzurinda and his partners will be plotting in the sidelines, ready to return to the government when the time is right. END SUMMARY.

## WHAT WENT WRONG DURING COALITION TALKS?

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- 12. (C) The Ambassador met for a one and a half hour luncheon with former PM Mikulas Dzurinda on July 17 to discuss Dzurinda's hopes for his party SDKU, as it is now in the opposition. Dzurinda pointed out that SDKU had actually been very close to a coalition deal with HZDS Chairman Vladimir Meciar. Meciar had indirectly communicated to Dzurinda an interest in a 3-plus-1 coalition early the morning after the election. Meciar had wanted 4 ministries and was "90-percent willing" to give up amnesties in order to gain international acceptance. As late as the Friday evening before the Sunday signing of the coalition agreement, Meciar had been in Dzurinda's office to discuss the 3-plus-1 coalition. After eight years out of office, Meciar was obviously desperate to return. When the Ambassador asked if Meciar was a trustworthy coalition partner, Dzurinda responded, "Never in the last three years since I sought to rehabilitate him has he broken his word.
- 13. (C) The problem during coalition talks had not been with Meciar, but with the Christian Democratic Movement (KDH). The party's Deputy Chairman Vladimir Palko -- who just wanted to become the new Chairman -- and board member Frantisek Miklosko -- who hated Meciar so much that he refused to deal with him -- would not even agree to meet with Dzurinda following the election. KDH Deputy Chairman and former Justice Minister Daniel Lipsic had been one of the few "no-Meciar-no-matter-what" members of KDH to at least explore coalition possibilities with the former PM. Dzurinda

predicted that Hrusovsky's wing would win this Saturday's extraordinary party congress 9 to 1 because of KDH regional structures' disdain for Palko's wing, whom they blame for the loss of patronage jobs (septel).

14. (C) Relations between Dzurinda and Party of the Hungarian Coalition (SMK) Chairman Bela Bugar remain positive. SDKU does not hold any grudges against SMK for its serious flirtation with Fico during coalition talks, as Dzurinda understands that the Hungarians would have done anything to keep the Slovak National Party (SNS) out of the government.

### DZURINDA AND "THE SOLID 65" PLAN TO MAKE LIFE HELL FOR FICO

- 15. (C) Dzurinda noted new PM Fico's rough start: losing nearly 25 percent of foreign currency reserves, being the laughing stock of the European socialists, raising concerns over conflict from Meciar's agriculture minister, and receiving nationalist criticism for FM Kubis's first trip abroad to Hungary. That being said, Dzurinda plans to lay low the first 100 days of the new government. Once KDH Chairman Hrusovsky is "solidly in charge" of his party -- Dzurinda expects this will happen by October or November -- the former PM will make a point of showing the strength of the opposition in Parliament, or as he called it, "the solid 65" (the combined number of seats of SDKU, KDH, and SMK).
- 16. (C) Dzurinda is well aware of Meciar's hunger for power and international acceptance, yet he also noted that the HZDS Chairman "is not stupid." Fico would falter when Meciar saw a consolidated right, lower numbers in the polls, or "some strange event driving a wedge" between him and the PM (as Dzurinda noted, SDKU would "try everyday"). Six of Meciar's fourteen deputies -- led by Tibor Mikus, Viliam Veteska, and to some extent Milan Urbani -- are not pleased with the current situation, and Dzurinda is also prepared to play on these emotions: "Don't you know I'll have coffee with these

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folks every day in the Parliament, which will drive the paranoid Fico crazy." (NOTE: Fico admitted as much to the Ambassador when he labeled his new partner Meciar "dangerous." Ref F. END NOTE.)

17. (C) On Iraq, Dzurinda was confident that HZDS would work to prevent Fico's intention to withdraw Slovak troops. He also suggested an early meeting with KDH Chairman Hrusovsky to press the Iraqi point in case of a parliamentary vote. (NOTE: KDH has traditionally been less supportive than HZDS on the Iraq deployment. END NOTE.)

# DZURINDA STILL HOPEFUL THAT HZDS WILL DEFECT FROM SMER

- 18. (C) Dzurinda holds onto the hope that HZDS will leave the current governing coalition, passing the President's mandate along to SDKU. In such a case, SDKU would have to mend a few rifts, particularly between HZDS and KDH. The worst artillery shell lobbed at KDH had been Meciar's appointment of Justice Minister Stefan Harabin, in order to punish KDH for its foot-dragging during coalition talks (NOTE: In a meeting last week with the Ambassador, PM Fico also attributed the selection of Harabin to politics between HZDS and KDH. Ref F. END NOTE.) Nevertheless, Dzurinda is confident that Harabin could be replaced in the case of a 3-plus-1 coalition.
- ¶9. (C) SDKU continues to lobby for HZDS's inclusion in the European People's Party (EPP). Dzurinda affirmed that the EPP's leadership had already approved HZDS's credentials, which were now "sitting in a drawer waiting to be opened" at SDKU's request. Dzurinda urged the Ambassador to continue nurturing the transatlantic shift in HZDS, saying that Meciar would strike an independent path in Parliament and the Embassy should encourage him to do so. He suggested strengthening the Embassy's already-strong ties with HZDS

Deputy Chairmen Milan Urbani and Viliam Veteska. However, the former PM advised against meeting with Meciar until HZDS had shown sufficient dedication to a transatlantic pathway. Dzurinda also noted that there was no redeeming reason to meet with SNS leader Jan Slota.

#### CORRUPTION LIKELY TO PLAGUE NEW GOV'T

- 110. (C) PM Fico is completely in the hands of shady businessmen Juraj Siroky, Vladimir Poor, and Jan Gabriel. Dzurinda confided to the Ambassador that Siroky had put large amounts of money into Smer's election campaign late in the game. Former NHL star and SDKU MEP Peter Stastny will continue to fight Siroky, and SDKU will retrieve from the Institute of National Memory information bringing to light Siroky's activities as a member of the STB. New Economy Minister Jahnatek is "completely Siroky's man." (NOTE: The American businessman who co-owns the Slovan hockey team with Siroky had told the Ambassador that Siroky was the most powerful man in Slovakia, and that Fico and Siroky regularly get together in the exclusive gentlemen's room at the Slovan arena. END NOTE.)
- 111. (C) Dzurinda expected Slovakia's foreign policy and economy to continue on their own inertia, but Fico would trip up mostly on corruption. Slota and SNS were the most corrupt in the current government, but Dzurinda noted that "almost all the ministers will have their hand out for something." Dzurinda also warned the Ambassador of new Foreign Minister Jan Kubis, who had sought his current position under Dzurinda's first administration and was "very ambitious for himself." The press would be hungry to find corruption in the new government, and the former PM was confident that they would find it soon.

#### SDKU REGROUPS IN THE MEANTIME

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112. (C) A temporary break from the government may be positive for SDKU, which will now gain strength in the opposition while Fico is in the hot seat. Dzurinda is confident that his party can win as much as 25 percent in the next elections, having already won 18 percent last month. Former Finance Minister and SDKU Deputy Chairman Ivan Miklos will continue to help build stronger party structures throughout the country. Dzurinda intends to travel to France, Britain, and Russia to see the center right opposition leaders there. It remains important for Slovakia not to push Russia away, and Dzurinda's contacts in Russia still have many freedoms in the opposition. On Transpetrol, Dzurinda still believes a buyback is the best option for Slovakia.

#### COMMENT

113. (C) COMMENT: Tanned and relaxed, Dzurinda -- who has begun biking for the first time since breaking his leg this

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spring -- was visibly moved when the Ambassador presented him photos of his (Dzurinda's) visit to the Oval Office earlier this year. Dzurinda was reflective of his two terms as PM and of his positive relations with President Bush, commenting, "We accomplished a lot together, although we Slovaks were only a small part of the bigger picture." told the Ambassador that Chancellor Merkel's Chief of Staff had called the former PM's Chief of Staff Milan Jezovica to note that President Bush had praised Dzurinda to Merkel on the recent trip to Germany. On the new government, Dzurinda noted that sometimes it is necessary to take one step back in order to take two steps forward. When the Ambassador asked if he planned to write a memoir about his eight years as PM, Dzurinda responded, "No, but I kept a diary of the last two weeks during the negotiations of the government and it will become very interesting reading. VALLEE